

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01997A
Adaman Mutual Water Company
16251 West Glendale Avenue
Litchfield Park AZ 853400000

RECEIVED

APR 13 2004

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

Ann04	03
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COMPANY INFORMATION

Company Name (Business Name) <u>ADAMAN MUTUAL WATER COMPANY</u>		
Mailing Address <u>16251 W. Glendale Avenue</u>		
(Street)		
<u>Litchfield Park</u>	<u>AZ</u>	<u>85340</u>
(City)	(State)	(Zip)
<u>623 935-2837</u>	<u>623 935-1236</u>	<u>602 390-3167</u>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address <u>adaman@qwest.net</u>		
Local Office Mailing Address <u>Same</u>		
(Street)		
(City)	(State)	(Zip)
Local Office Telephone No. (Include Area Code)		
Fax No. (Include Area Code)		
Pager/Cell No. (Include Area Code)		
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>David Schofield</u> <u>General Manager</u>			
(Name)		(Title)	
<u>Same</u>			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	
		Pager/Cell No. (Include Area Code)	
Email Address _____			
On Site Manager: <u>Same</u>			
(Name)			
(Street)	(City)	(State)	(Zip)
Telephone No. (Include Area Code)		Fax No. (Include Area Code)	
		Pager/Cell No. (Include Area Code)	
Email Address _____			

Statutory Agent: David Schofield

(Name)

16251 W. Glendale Avenue, Litchfield Park, AZ 85340

(Street)

(City)

(State)

(Zip)

623 935-2837

Telephone No. (Include Area Code)

623 935-1236

Fax No. (Include Area Code)

602 390-3167

Pager/Cell No. (Include Area Code)

Attorney: Norman D. James

(Name)

3003 N. Central Avenue #2600 Phoenix, AZ 85012-2913

(Street)

(City)

(State)

(Zip)

602 916-5000

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☒ Other (Describe) Non Profit Corporation

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	112,986	4,331	108,655
304	Structures and Improvements	2,058	1,927	131
307	Wells and Springs	101,907	99,570	2,337
311	Pumping Equipment	77,799	69,388	8,411
320	Water Treatment Equipment	21,206	18,987	2,219
330	Distribution Reservoirs and Standpipes	45,548	13,854	31,694
331	Transmission and Distribution Mains	288,131	162,810	125,321
333	Services			
334	Meters and Meter Installations	35,273	21,920	13,352
335	Hydrants	2,541	647	1,894
336	Backflow Prevention Devices	574	280	294
339	Other Plant and Misc. Equipment	5,610	4,480	1,130
340	Office Furniture and Equipment	4,502	3,162	1,343
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	3,263	2,108	1,755
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	701,398	403,464	298,536

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Adaman Mutual Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	112,986	3%	2,259
304	Structures and Improvements	1,219	5%	64
307	Wells and Springs	34,429	20%	6,886
311	Pumping Equipment	10,008	32%	3,229
320	Water Treatment Equipment	8,859	24%	2,133
330	Distribution Reservoirs and Standpipes	45,548	5%	2,277
331	Transmission and Distribution Mains	134,529	6%	7,767
333	Services			
334	Meters and Meter Installations	30,887	11%	3,279
335	Hydrants	2,541	10%	254
336	Backflow Prevention Devices	574	10%	57
339	Other Plant and Misc. Equipment	5,610	5%	281
340	Office Furniture and Equipment	1,462	8%	122
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	2,560	17%	433
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	391,212	6%	29,041

This amount goes on Comparative Statement of Income and Expense _____
Acct. No. 403.

COMPANY NAME Adaman Mutual Water Company

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 134,285	\$ 180,614
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	12,923	13,698
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	6,282	4,172
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 153,490	\$ 198,484
	FIXED ASSETS		
101	Utility Plant in Service	\$ 593,886	\$ 701,397
103	Property Held for Future Use		
105	Construction Work in Progress	37,080	-0-
108	Accumulated Depreciation – Utility Plant	371,996	403,464
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 258,970	\$ 297,933
	TOTAL ASSETS	\$ 412,460	\$ 496,417

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Adaman Mutual Water Company

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 10,522	\$ 14,105
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	1,850	720
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	1,032	1,544
	TOTAL CURRENT LIABILITIES	\$ 13,404	\$ 16,361
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 92,643	\$ 74,586
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	32,850	95,264
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	21,272	21,272
272	Less: Amortization of Contributions	7,127	8,909
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 46,995	\$ 107,627
	TOTAL LIABILITIES	\$ 153,042	\$ 198,574
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 2,503	\$ 2,503
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	256,915	295,340
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 259,418	\$ 297,843
	TOTAL LIABILITIES AND CAPITAL	\$ 412,460	\$ 496,417

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 257,051	\$ 254,725
460	Unmetered Water Revenue		
474	Other Water Revenues	2,840	2,487
	TOTAL REVENUES	\$ 259,891	\$ 257,212
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 63,810	\$ 66,360
610	Purchased Water	22	
615	Purchased Power	39,975	42,853
618	Chemicals	1,159	1,582
620	Repairs and Maintenance	25,718	20,332
621	Office Supplies and Expense	5,550	6,037
630	Outside Services	7,589	4,150
635	Water Testing	2,696	4,030
641	Rents	1,800	6,000
650	Transportation Expenses	5,129	6,088
657	Insurance – General Liability	3,063	3,225
659	Insurance - Health and Life	3,063	3,225
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	10,272	4,496
403	Depreciation Expense	24,126	29,041
408	Taxes Other Than Income		
408.11	Property Taxes	11,761	12,544
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 207,829	\$ 211,185
	OPERATING INCOME/(LOSS)	\$ 52,062	\$ 46,027
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 849	\$ 691
421	Non-Utility Income	296	169
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	8,011	7,285
	TOTAL OTHER INCOME/(EXPENSE)	\$ (6,866)	\$ (6,425)
	NET INCOME/(LOSS)	\$ 45,196	\$ 39,602

COMPANY NAME Adaman Mutual Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	7/25/01			
Source of Loan	Meridian Bank			
ACC Decision No.	59739			
Reason for Loan	Capital Improvement			
Dollar Amount Issued	\$104,099	\$	\$	\$
Amount Outstanding	\$ 74,586	\$	\$	\$
Date of Maturity	7/26/06			
Interest Rate	8.25%			
Current Year Interest	\$ 7,285	\$	\$	\$
Current Year Principle	\$ 18,057	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 22,766

Meter Deposits Refunded During the Test Year

\$ 3,725

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-620807	100	550	1089	14" @602' 12"@756'	6"	1979

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	1	3	
15	1		
30	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
200,000	1	3000	1

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	APC & PVC	38,769
5		
6	PVC	21,305
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	31
3/4	39
1	94
1 1/2	25
2	10
Comp. 3	
Turbo 3	2
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

5 GPH Chemical metering pump
100 Gal solution tank
Chlorine residual test kit
Sand Filters
Chlorine House

STRUCTURES:

Fences, signs

OTHER:

Power generator
Computer eqpt & software
Tools
Pumping eqpt
Well

COMPANY NAME: Adaman Mutual Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	205	6589	7800
FEBRUARY	208	6327	7368
MARCH	209	5256	6116
APRIL	212	7739	8833
MAY	212	10778	11380
JUNE	215	12720	14769
JULY	213	13961	16261
AUGUST	212	10520	12201
SEPTEMBER	220	8837	10203
OCTOBER	225	9531	10766
NOVEMBER	226	7707	9012
DECEMBER	228	6603	7756
TOTAL		N/A	122465

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes

☐ No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes

☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. .015 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Adaman Mutual Water Company YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 12,152.51

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

33637840

00026260
1119013314
BANK ONE, NA

ADAMAN WATER DISTRICT
16251 WEST GLENDALE AVENUE
LITCHFIELD PARK, ARIZONA 85340
(623) 935-2837

100180332 9940 9940 00 09-30-03
C17
C17

ADAMAN WATER DISTRICT
16251 WEST GLENDALE AVENUE
LITCHFIELD PARK, ARIZONA 85340
(623) 935-2837

COMMUNITY BANK
11 WEST VAN BUREN STREET
AVONDALE, AZ 85323

12779

91-499/1221

CHECK NO.

12779

DATE

Sep 26, 2003

AMOUNT

****\$6,272.01

PAY
TO THE
ORDER
OF

Memo:

Six Thousand Two Hundred Seventy-Two and 01/100 Dollars

Maricopa County Treasurer
100 County Administration Bldg
301 W. Jefferson Street
Phoenix, AZ 85003

Charles M. Lutz
David Solisfeld
AUTHORIZED SIGNATURE

012779 122104994 6004919476

0000627201

COMPANY NAME Adaman Mutual Water Company YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:

EXEMPT

Federal Taxable Income Reported _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 13 2004

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Maricopa</u>	AZ CORPORATION COMMISSION
NAME (OWNER OR OFFICIAL) TITLE <u>Dave Schofield, General Manager</u>	DIRECTOR OF UTILITIES
COMPANY NAME <u>Adamant Mutual Water Company</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH <u>12</u>	DAY <u>31</u>	YEAR <u>2003</u>
--------------------	------------------	---------------------

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

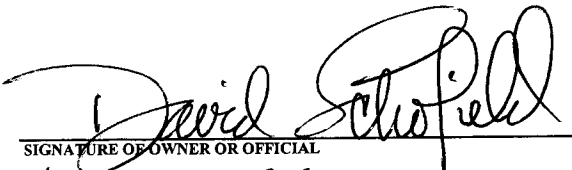
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 273,768

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 16,556
IN SALES TAXES BILLED, OR COLLECTED**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
623-935-2837

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

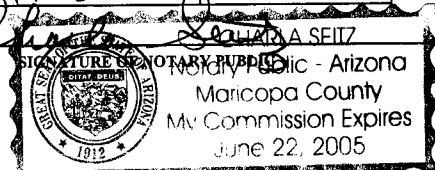
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 12th **DAY OF**

(SEAL)

MY COMMISSION EXPIRES JUNE 22, 2005

COUNTY NAME <u>MARICOPA</u>	
MONTH <u>April</u>	YEAR <u>2004</u>



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 13 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Maricopa

NAME (OWNER OR OFFICIAL)
David Schofield

TITLE
General Manager

COMPANY NAME
Adaman Mutual Water Company

ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 97,837

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 5,985
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

David Schofield
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

12th

DAY OF

(SEAL)



MY COMMISSION EXPIRES JUNE 22, 2005

NOTARY PUBLIC NAME

Charla Seitz

COUNTY NAME

MARICOPA

MONTH

April

, 2004

X *Charla Seitz*

SIGNATURE OF NOTARY PUBLIC